

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day
of August, 2018.

In the Matter of the Application of Union Electric)	
Company d/b/a Ameren Missouri for Permission and)	
Approval and a Certificate of Public Convenience and)	File No. EA-2016-0207
Necessity Authorizing It to Offer a Pilot Subscriber)	Tracking No. YE-2018-0110
Solar Program and File Associated Tariff)	

**ORDER APPROVING SECOND AMENDED STIPULATION AND AGREEMENT,
GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY,
REJECTING TARIFF, AND DIRECTING FILING**

Issue Date: August 28, 2018

Effective Date: September 8, 2018

The Commission is approving the second amended stipulation and agreement addressing a pilot subscriber solar program for Union Electric Company d/b/a Ameren Missouri (Ameren Missouri). As part of that agreement, the Commission is approving the certificate of convenience and necessity (CCN) to build the solar facility, rejecting the currently filed Tariff No. YE-2018-0110, and directing a compliance tariff be filed.

On April 27, 2016, Ameren Missouri filed an application requesting Commission approval of a subscriber solar pilot tariff for the purpose of implementing a subscriber solar pilot program. At the time of the filing, Ameren Missouri envisioned having the tariff approved to begin the subscriptions with an application for a CCN to be filed later. The parties held multiple meetings to discuss the subscriber solar pilot program and reached an agreement with regard to implementing the program. On October 5, 2016, the Commission approved the stipulation and agreement.

In an attempt to comply with the terms of the Commission-approved stipulation and agreement, Ameren Missouri filed an application for an expedited certificate of

convenience and necessity on March 7, 2018. However, various parties objected to that application indicating that it was not consistent with certain terms of the Commission-approved stipulation and agreement.

The application for a CCN also contained Tariff No. YE-2018-0110 bearing an April 6, 2018 effective date. The tariff sheets filed with Ameren's application were suspended several times by the Commission and currently are suspended until September 13, 2018.

After additional negotiations, Ameren Missouri, the Staff of the Missouri Public Service Commission, the Missouri Department of Economic Development – Division of Energy, and Earth Island Institute d/b/a Renew Missouri (the "signatories") reached an agreement to amend the terms of the Commission-approved stipulation and agreement.

An order approving the amended stipulation and agreement was discussed by the Commission at its June 13, 2018 agenda meeting, but was withdrawn after the Commissioners identified some inconsistencies that the parties agreed to correct. On August 20, 2018, a *Second Amended Stipulation and Agreement* was filed by the same signatories. Although the Office of the Public Counsel, United for Missouri, and the Missouri Industrial Energy Consumers were not signatories, the agreement states that those parties indicated no opposition to the agreement.

Commission rule 4 CSR 240-2.115(2)(B) allows nonsignatory parties seven days to object to a nonunanimous stipulation and agreement. Seven days have passed and no objections were received. The Commission will approve the agreement and direct the parties to comply with its terms.

The second amended stipulation and agreement resolves all issues with regard to the application for a certificate of convenience and necessity and the pending tariff

sheets. The second amended stipulation and agreement contains provisions governing the facility and the program under which it will operate. The main differences between the second amended stipulation and agreement and the Commission-approved agreement is a change to the cap on the amount of capital investment Ameren Missouri can make on the project and the change to the construction of a single facility instead of two facilities. Other amendments include:

- the Commission will approve a CCN for the St. Louis Lambert International Airport location for use in the pilot program;
- as a condition of receiving the CCN, Ameren Missouri will make certain filings, which may occur after the Commission issues the CCN;
- only a single one megawatt (1 MW) facility will be built instead of two 500 kilowatt (kW) facilities;
- the facility will not be built until Ameren Missouri has received customer subscriptions totaling 1 MW;
- Ameren Missouri will require a Solar Participation Fee, as set forth in the Commission-approved stipulation and agreement, for all customers enrolling in the pilot, until Ameren Missouri has received enough subscriptions to construct the full 1 MW facility;
- Ameren Missouri's capital investment is capped at \$3 million for the facility;
- Ameren Missouri will consult with the Office of the Public Counsel and other parties in developing answers to Frequently Asked Questions as set out in the Commission-approved stipulation and agreement;

- the required reporting shall begin within 30 days of the Commission approval of the second amended stipulation and agreement and continue as set out in the Commission-approved stipulation and agreement; and
- the Commission should reject Tariff No. YE-2018-0110 and direct Ameren Missouri to file compliance tariff sheets similar to those attached to the second amended stipulation and agreement.

No evidentiary hearing is necessary to grant unopposed relief.¹ Based on the verified filings, the Commission independently finds and concludes that the second amended stipulation and agreement's provisions support safe and adequate service at just and reasonable rates. The Commission incorporates the provisions of the second amended stipulation and agreement into this order as if fully set forth herein.

With regard to the application for a CCN, Ameren Missouri is an "electrical corporation" and a "public utility" as defined in Subsections 386.020(15) and (43), RSMo 2016. According to Subsections 393.170.1 and .2, RSMo 2016, an electrical corporation may not construct electrical plant without first obtaining the permission and approval of this Commission. However, on August 28, 2018, the date of issuance of this order, S.B. 564² became effective containing an exception to the need for Commission approval for "an energy generation unit that has a capacity of one megawatt or less."³ Thus, the solar facility being proposed may fall within the exception. The application was filed before the new law became effective and the parties have agreed to other conditions contingent on the Commission's grant of a

¹ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

² Section 393.170, S.B. 564, 99th Gen. Assemb., 2nd Reg. Sess. (Mo. 2018).

³ Subsection 393.170.1.

certificate. Additionally, no party has opposed the certificate and nothing in the statute prohibits the Commission from granting a certificate. Therefore, the Commission will grant the certificate even if it is not required.

In granting a certificate, the Commission may give permission and approval when it has determined after due hearing⁴ that the construction is “necessary or convenient for the public service.”⁵ The Commission may also impose such conditions as it deems reasonable and necessary upon its grant of permission and approval.⁶

Ameren Missouri requests authority to construct, own, operate, and maintain a solar generation facility for the creation of a solar subscription pilot program. The parties to this proceeding have extensively negotiated the need for and the terms of this program and have agreed that the Commission should grant the CCN. The solar facility will be located on land owned by the City of St. Louis at the St. Louis Lambert International Airport. Ameren Missouri has secured a lease for use of this land.

The Commission has stated five criteria that it will use in determining whether construction and operation are necessary or convenient for the public service:

1. There must be a need for the service;
2. The applicant must be qualified to provide the proposed service;
3. The applicant must have the financial ability to provide the service;

⁴ The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. No party requested a hearing in this matter; thus, no hearing is necessary. *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm’n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

⁵ Section 393.170.3, RSMo 2016.

⁶ *Id.*

4. The applicant's proposal must be economically feasible; and
5. The service must promote the public interest.⁷

In its *Application for Approval of a Subscriber Solar Pilot Tariff*, Ameren Missouri explained that this pilot program will allow its customers to voluntarily subscribe to the program thereby supporting the development of additional solar facilities by Ameren Missouri. Ameren Missouri stated that this program would further the company's commitment to renewable generation in the state of Missouri. Additionally, Ameren Missouri stated that it has a customer base that cannot put solar panels on their homes or businesses, but desire to support the development of renewable energy, and this program will meet that need. Ameren Missouri supported these statements with the sworn testimony of Michael Harding and William Barbieri attached to its *Application for Approval of a Subscriber Solar Pilot Tariff*.

The application for tariff approval also demonstrates, and the parties have agreed, Ameren Missouri is qualified to construct, install, own, operate, maintain, and otherwise control and manage this solar project and it is financially able to provide this service. The project is economically feasible and is in the public interest. The Commission concludes that granting the application for a CCN meets the above-listed criteria.

The Commission has reviewed the verified applications and their attachments, the exemplar tariffs, the various other verified pleadings, and the multiple agreements. Based on the Commission's independent and impartial review of the record, the Commission finds that granting Ameren Missouri's application for a CCN

⁷ *In re Tartan Energy Company*, 3 Mo.P.S.C. 173, 177 (1994).

would serve the public convenience and necessity. Therefore, the application will be granted.

Since the original agreement between the parties contemplated that the CCN application procedure would be expedited and no party has opposed the current applications or stipulation and agreement, this order will be given a ten-day effective date.

THE COMMISSION ORDERS THAT:

1. The *Second Amended Stipulation and Agreement* filed on August 20, 2018, and attached hereto is approved. The attached stipulation and agreement is incorporated into this order as if set forth herein. The parties are ordered to comply with the provisions of the stipulation and agreement.

2. The tariff sheets filed on March 7, 2018, under Tariff File No. YE-2018-0110, are rejected.

3. Union Electric Company d/b/a Ameren Missouri shall file compliance tariffs similar to the exemplar tariff sheets attached to the *Second Amended Stipulation and Agreement*.

4. Union Electric Company d/b/a Ameren Missouri is granted a certificate of public convenience and necessity to construct, own, operate, and maintain a solar generation facility in the City of St. Louis, Missouri, at the St. Louis Lambert International Airport as described in the *Second Amended Stipulation and Agreement*.

5. Union Electric Company d/b/a Ameren Missouri shall comply with the filing requirements recommended by the Staff of the Missouri Public Service Commission and set out in the *Second Amended Stipulation and Agreement*.

6. The reporting requirements required by the stipulation and agreement shall begin no later than 30 days after the effective date of this order.

7. Nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on the property.

8. The Commission reserves the right to consider the ratemaking treatment to be afforded the expenditures and properties herein involved, and the resulting cost of capital, in any later proceeding.

9. This order shall be effective on September 8, 2018.



BY THE COMMISSION

A handwritten signature in dark ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Kenney, Rupp, Coleman, and
Silvey, CC., concur.

Dippell, Senior Regulatory Law Judge